The Internet Broadcaster's Revenue Handbook
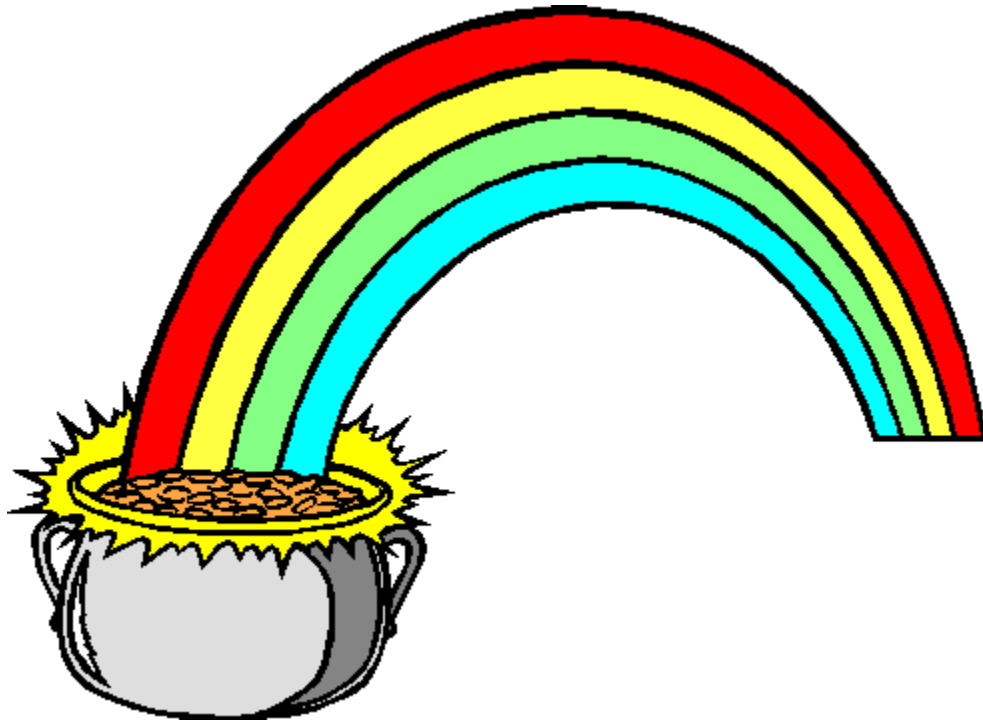
Written By

David Childers

www.ScenicRadio.Com

Relaxing Entertainment for the World

BW

www.BroadcastingWorld.Com

Global Broadcast Information Portal

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en.wikipedia.org/wiki/File:EndlessKnot03d.png

About The Author

David Childers is the Content Manager for the Global Broadcasting portal www.BroadcastingWorld.com. He is very active in the Internet broadcast industry and has written numerous guides and a book about this growing technological field. He is also the webmaster of www.ScenicRadio.com, the global destination for relaxing entertainment.

Mr. Childers' work has been cited in several national and International publications, including these:

Five Essays on Copyright In the Digital Era
Turrer Publishing

Research On High-Profile Digital Video Production
Digital Content Association of Japan

Video Podcasting in Perspective: The History, Technology, Aesthetics and Instructional Uses of a New Medium
Journal of Educational Technology Systems

Video Podcasting: When, Where and How it's Currently used for Instruction
The National Convention of the Association for Educational Communications and Technology

IP Packet Charging Model For Multimedia Services
National University of Rwanda

Preservation of audiovisual mediums: Problems and Challenges
Platform for Archiving and Preservation of Art on Electronic and Digital Media

P2P Technology Trend and Application to Home Network
Electronics and Telecommunications Research Institute Journal

Peer To Peer Computing - The Evolution of a Disruptive Technology
Idea Group Publishing

Peer-to-Peer Systems and Applications
Lecture Notes In Computer Science
Springer Berlin / Heidelberg

Feedback

Please feel free to contact the author if you have any questions or comments. Your feedback is greatly appreciated.

You can contact the author here: www.KL7AF.com

Foreword

Welcome to the Internet Broadcaster's Revenue Handbook. Generating revenue on the Internet with advertising has grown into a sizable and well respected industry. Gone are the days of flashing banners and pop up displays to generate revenue. The methods used today are quickly becoming an art form with a scientific approach.

I would like to thank Terrence Romero of El Mero Mero Media for contributing to the guide, Scarlet Coker for providing assistance with the editing of the guide, and James Davey at Broadcasting World for allowing me the opportunity to create this handbook.

It is my sincere hope that the reader finds this handbook a valuable resource.

David Childers

December 2010

Posveèeno Neži Vidmar
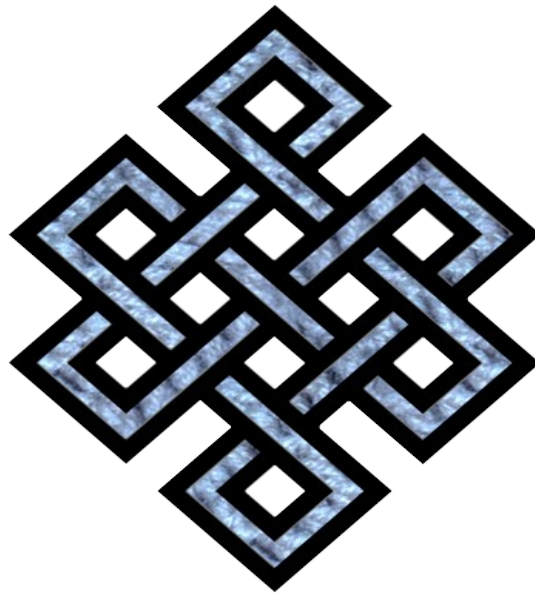
Sorodna duša je tista oseba, katera nam izpopolni življenje.

"Advertising says to people, 'Here's what we've got. Here's what it will do for you. Here's how to get it."

Leo Burnett

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Introduction

Running an Internet broadcast station requires a financial commitment. The operational cost is based on several factors and it is vital to have adequate cash flow to successfully operate the station on a long term basis.

It is easily possible to generate sufficient revenue from both the actual Internet broadcast and station website. However, sustainable revenue generation takes a long term commitment and should not be thought of as a short term solution. Dedicated time and planning are very important for the maximum possible benefit.

The potential to generate revenue is directly related to the size of the station audience. Maximizing the station revenue requires maintaining a sustainable audience participation. Effective marketing is the key to increasing the station exposure, audience and generating additional revenue.   Marketing should also be viewed as a long term commitment that directly affects the stations financial stability.   Effective station promotion and marketing can be achieved without spending large amounts of money.

I have also written a guide for promoting an Internet broadcast station.

Planning

It is important to determine the operational costs required to run the Internet broadcast station. Once the funding goals have been established, these financial estimates can be used to set the target for generating revenue.

The following items are typically required to operate an Internet broadcast station:
- Web hosting.
- Stream hosting.
- Royalty payments for content.
- Purchasing equipment.
- Equipment maintenance.
- Facilities.
- Employee salaries.

Suggestions:
- Start a small revenue generation campaign and expand slowly.
- Create quality content to support the revenue generating advertisements.

- Keep detailed records of all financial transactions
- Use accounting software to maintain accurate financial records for both incoming and outgoing finances.
  * www.gnucash.org Free and Open Source accounting software.

- It is advisable to consult with an accountant to review any issues that may result from revenue generated.
- It is advisable to retain legal counsel for review of business documents and obligations.
- It may be necessary to register the broadcast station as a businesses depending on the revenue generated.

Password
Password keys for online advertising and financial accounts should be randomly chosen. The keys should consist of both numbers and letters. The letters should include both lower and upper case form. The password keys should consist of a string of 8 to 12 characters.

Documents

- Important documents should be kept in a safe and secure location.
- Important documents that are routinely used should be copied, and the copies be used.
- All financial records should be saved as required by local business and governmental regulations.

Stay informed
Network with other Internet broadcasters and compare information about the methods used to generate revenue. It is important to stay current with Internet advertising marketing trends and new technology as it becomes available.

Multiple Sources Of Revenue

The key to an effective revenue generation plan is to use several methods instead of relying on a single one. Using multiple methods can appeal to a broader range of people and allow the station to increase the potential for generating revenue through diversification.

Increasing the revenue potential without sacrificing content quality is very important. It is essential to implement revenue methods that compliment each other and it is critical that the advertising is not allowed to overwhelm the audience.

Why do multiple sources of revenue work? Consider the following examples:
- A person may be more inclined to donate money, rather than purchasing a CD.
- A person may be more inclined to watch an advertising video rather than clicking on a advertising banner.
- A person may be more inclined to listen to a higher quality stream rather than purchasing a coffee mug.

Experiment
It is highly recommended that the station test several combination methods of generating revenue, since the station programming, station website or audience can make some methods more effective than others.

Multiple revenue generation methods should be matched to provide maximum potential.

Some examples of matching multiple revenue generation methods include:
- Banner and Textual.
- Video and Graphic.
- Subscription and Affiliate.

Track the test results
It is recommended that a diary or journal is kept to document the results of the various tests. This will allow the comparison of revenue generating methods that are tried. Try each advertising method for a set period of several weeks to ensure that each one is given enough time for a legitimate test period.

The following information should be included in the diary:
- Dates of test period.
- Website traffic statistics.
- Average audience listening time.
- Peak hours of audience.
- Revenue generated from each of the methods tried.
- Special events hosted by the station.
- Any changes in website content.
- Any changes in broadcast content.
- Track advertising by the day.
- Track advertising by the type.
  (Text-Video-Graphic-URL-etc.)

Utilizing multiple revenue generating methods may attract more than one action from individual users.

Website Revenue

Advertising can be placed on the station website to generate revenue. This can be implemented in various forms from simple click through advertising to sales of items.

- Website advertising: Banner, video, graphic.
www.google.com/adsense
www.doubleclick.com
www.adbrite.com
www.chitika.com

- Website advertising: Textual.
- www.kontera.com
- www.infolinks.com

Note: See the **Advertising Optimization** section for additional information.

- Souvenir sales: Hats, T-shirts, or cups with station logos printed on them.
www.cafepress.com
www.zazzle.com
www.printfection.com

- Affiliate sales: Books, CD's, DVD's, magazines etc. related to the station content.
www.cj.com
www.google.com/ads/affiliatenetwork

- Distribute regularly scheduled video shows hosted by businesses that offer revenue sharing.
   * Free
    www.viddler.com
    www.blip.tv
    www.youtube.com

   * Paid
    www.vmix.com
    www.brightcove.com

- Distribute regularly scheduled audio shows hosted by businesses that offers revenue sharing.
   * Free
    www.podbean.com
    www.mypodcast.com

- Product, service or company sponsorship of the broadcast station.
   * These sponsorships should be relevant to the website / station content.

- RSS Feed Advertising
  * These companies provide advertising that is displayed in RSS feeds.
   www.google.com/adsense
   www.text-link-ads.com/feedvertising
   www.pheedo.com

Content Management Systems (CMS) plugins

WordPress

Plugin for quickly inserting Google or Yahoo! ads, and managing when and where those ads are displayed.
www.acmetech.com/blog/2005/07/26/adsense-deluxe-wordpress-plugin/

Fix for the AdSense Deluxe Plugin (Plugin listed above.)
www.wordpressmax.com/advanced-wordpress-guide/fix-adsense-deluxe-wordpress-2-8-1

Plugin to easily incorporate Google Adsense and other ads.
www.wordpress.org/extend/plugins/advertising-manager

Plugin to allow the management of all advertisements directly from the backend.
www.wordpress.org/extend/plugins/advertisement-management

Advertising manager that focuses on maximising revenue, saving time, and keeping you in complete control of your ad space.
www.oiopublisher.com

Drupal

Module that provides the means to earn revenue from visitors by displaying ads from Google AdSense advertising service on their sites.
www.drupal.org/project/adsense

Joomla

Plugin to automatically insert Google Adsense ads or Yahoo Publisher Network (YPN) ads in to your articles and contents on the fly.
www.anylookup.com/adsense-and-ypn-inserter

Stream Revenue

Advertising can be placed within the Internet broadcast and provide another source of revenue for the broadcast station. Both audio and video advertising can be used within the Internet broadcast streaming.

- Radio/Audio
www.streamads.com
www.targetspot.com
www.andomedia.com
www.jetcast.com
www.pheedo.com
www.volomedia.com
www.adswizz.com
www.metachannel.be
www.corstarr.com
www.streamads.com
www.replaceads.com

- Television/Video
www.yume.com
www.spotxchange.com
www.doubleclick.com
www.jetcast.com
www.replaceads.com

Textual advertising or URL links can be inserted in the broadcast stream or embedded within the media player. This can be used to invite the audience to purchase items, refer to an affiliate program, or other action.

Announcements can be used before the actual Internet broadcast to invite the audience to do something. (Donate money, order CD's, purchase station souvenirs, etc.)

Revenue Advertising Management

This type of specialized software can assist with the sales, scheduling, delivery, and measurement of all the advertising content placed on a website. This can include both directly sold or network based advertising. Using this software can alleviate the stress and time required for managing advertising on the website.

These are online resources that provide advertising management services:

Google Ad Manager.
www.google.com/admanager
Blog.
googleadmanager.blogspot.com

Rubicon Project.
www.rubiconproject.com
Blog.
www.rubiconproject.com/blog/rubicon

Admeld.
www.admeld.com

Pubmatic.
www.pubmatic.com
Blog.
www.pubmatic.com/category/blog

Adify.
www.adify.com
Blog.
www.adify.com/blog

Alternative Revenue

Other means of generating revenue can be used in addition to standard revenue generation methods.

These include:

- Subscription: Offer a higher quality broadcast stream.
  * These online services can be used to collect subscription funds.
   checkout.google.com
   www.payclick.com.au
   www.paypal.com

- Subscription: Offer access to a broadcast that does not include advertising within the stream.
  * These online services can be used to collect subscription funds.
   checkout.google.com
   www.payclick.com.au
   www.paypal.com

- E-Mail: Include advertising in the station's E-Mail newsletter.
  * Textual or graphic advertising should be considered.
  * Do not clutter the newsletter with excessive advertising.
  * The advertising should focus on the on the content of the newsletter or the genre of the broadcast
    content.

Online advertising services that could be used in E-Mail advertising.
www.google.com/adsense
www.adbrite.com
www.chitika.com

Fundraising And Donations

Engage the broadcast station audience and ask them to financially support the broadcast station. Public radio stations and community television stations have been doing this for years.

Social media outlets can be used to create fundraising campaigns. These outlets also allow people to share posts with others connected in their group, which can provide a viral distribution method for information.

These social media outlets include:
- Twitter.
- Facebook.
- MySpace.
- Orkut.

Social Media fundraising campaign services:
www.piryx.com
www.clickandpledge.com
www.givezooks.com
www.tivix.com

Fundraising for any purpose services:
www.gofundme.com
www.raiseitnow.com
www.flattr.com

Donate money in appreciation for quality of programming:
  * These online services can be used to collect donation funds.
   checkout.google.com
   www.payclick.com.au
   www.paypal.com

E-Mail fundraising can be used as an effective method for requesting donations and fundraising.

Things to consider when creating a E-Mail letter for fundraising:
- Keep the letter simple and to the point.
- The first part of the E-Mail should contain the most important information.
- Split the information presented in the E-Mail into smaller parts.
- Keep the reader interested.
- Include social network links.
- Place essential URL links numerous times throughout the E-Mail.

Reward persons that donate or contribute
Give something to people that donate money to the station. This can be done at very little cost or time involved, but can yield tremendous results in the future.

Example incentives that can be used for audience members that donate:
- Create a web page to display their names and or pictures.
- Give a song request on the air.
- Thank them on the air.

Promote Revenue Advertising

It is important to promote the website from within the Internet broadcast and make sure that the audience is informed about the station website several times an hour. A well designed website with advertising revenue ability can generate substantial finances.

A large number of broadcast stations make the mistake of not promoting their website within their Internet broadcast. Valuable revenue potential is being lost if the broadcast station audience is not encouraged to visit the station website. This is a free advertising and marketing opportunity that should be effectively used.

Keep the audience informed of any updates, added content or changes to the station website as well. This can dramatically increase overall generated revenue. The station website address can also be displayed within an Internet video broadcast.

The promotion announcements must be made compelling and relevant to attract visitors to the website. It is important to use subtlety to encourage the audience to perform an action related to the stations revenue generation.

The following information should be included within the announcement:
- Why the Internet broadcast audience should visit the station website?
- What kind of content will they find?
- What kind of things can they do?
- How they can support the station?

Monitor Performance

Monitoring the performance of the website and the online status of the website or Internet broadcast can provide critical information about the Internet presence of the broadcast station.

Analyze advertising

It is important to monitor website traffic patterns on a regular basis. This will allow the modification of low traffic web pages so that traffic flow can be increased as well as the potential for generating additional advertising revenue.

Google Analytics

Online service that can be used to track web statistics.
www.google.com/analytics

Google Analytics Blog.
analytics.blogspot.com

Software for analyzing log files
www.deep-software.com
www.webalizer.org
www.hping.org/visitors
www.w3perl.com

Analyze stream server

It is important to monitor stream server patterns on a regular basis. This can allow programming to be shifted to fill time slots that are not attracting large audience participants.

Various software programs that can be used to analyze the log files of media stream servers.
www.alterwind.com/loganalyzer/log-analyzer-lite.html
www.casterstats.com
www.sawmill.net/formats/shoutcast16.html
www.dragonwire.org/shoutcast_logparse
www.starnetwork.ro/shoutcast_log_parser/main.php?lang=en
www.glop.org/shoutstats
www.casterstats.com

Monitoring stream server or website

It is important to monitor the broadcast server and website continuously to prevent outages or technical problems. If the web host or media server fail, then the generation of revenue ceases as well.

Stream monitoring
www.streamalerts.com
www.checkmystream.com
www.gomez.com/products-solutions/products/web-performance-management/streaming-multi-media-monitoring
www.webmetrics.com/Monitoring-Services/Enterprise-Monitoring/Services/Stream-Monitoring

Webhost monitoring
www.watchmouse.com/en
www.montastic.com
www.siteuptime.com
www.dotcom-monitor.com
www.uptrends.com
www.internetsupervision.com

Content Management Systems (CMS) plugins

WordPress

Plugin that tracks link clicks from HREF's in posts and pages.
www.wordpress.org/extend/plugins/wp-click-track

Plugin that incorporates Google analytics.
www.wordpress.org/extend/plugins/google-analytics-for-wordpress

Drupal

Module that allows the tracking of clicks on websites such as advertising campaigns.
www.drupal.org/project/click

Module that adds the Google Analytics web statistics tracking system to your website.
www.drupal.org/project/google_analytics

Joomla

Module used for inserting Google Analytics tracking code to the Joomla site as a module
extensions.joomla.org/extensions/site-management/site-analytics/1233

Advertising Optimization

This information is intended to help stations increase the revenue performance of Google Adsense web advertising. This knowledge can also be used with other web advertising programs.

Getting started: optimization essentials.
www.google.com/support/adsense/bin/static.py?page=tips.html

Blog.
adsense.blogspot.com

Terms of Service.
www.google.com/adsense/localized-terms

Tools:

- Preview tool.
  (Internet Explorer only.)
www.google.com/adsense/support/bin/topic.py?hl=en&topic=160

- Sandbox tool.
  This utility allows you to see what Google Adsense ads will show on any webpage.
www.labnol.org/google-adsense-sandbox

Optimization suggestions:
- The advertising needs to appeal to the target audience of the broadcast station.
- Do not overload/clutter webpages with advertising.
- Website advertising should be seamless, it should appear to be part of the actual web page content.

Quality content suggestions:
- Provide unique and specific content to allow more targeted advertising.
  * Focus the content of each website page.
- The content must compel, inform or entertain.
- The content must be updated regularly.

Ad positioning suggestions:
- Placing ads above the fold provides more visibility and more chances a reader will click the ad.
- Experiment with placing ads on either right or left hand side of the page.

Ad format suggestions:
- This will depend on the structure of the website.
- Different types and different sizes of ads will perform better, based on the webpage layout.

Ad colors suggestions:
- The background and the border color of the ad should match the background color of the webpage.
  * Remove the border surrounding the advertisement.
- The color of the ad link should match the color of the links on your webpage.
- The color of the ad description should be slightly different than the ad link. (Darker or lighter.)